

BEFORE THE
WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D.C.

ORDER NO. 65

Served: September 25, 1961

IN THE MATTER OF:

Petition of D. C. Transit System, Inc.)
for Permission to Issue a Promissory)
Note and a Deed of Trust to Secure)
the Same.)

APPLICATION NO. 150

On September 1, 1961, D. C. Transit System, Inc. (hereinafter referred to as the Company) filed a petition for permission to issue a promissory note, to be secured by Deed of Trust, payable to the order of Perpetual Building Association in the principal amount of One Million Eight Hundred Thousand Dollars (\$1,800,000), with interest on the unpaid balance at the rate of six per cent per annum, computed monthly on a reducing balance. The loan commitment from Perpetual Building Association is, in effect, both a construction loan and a permanent loan. The commitment provides, inter alia, that construction is to begin within sixty (60) days and completed no later than eighteen (18) months from the date of the execution of the note. The interest is to be paid monthly from the time the first disbursement is made on the construction loan until the time of the final disbursement, which is to be within eighteen (18) months from the date of the execution of the note. After final disbursement is made on the loan commitment, the Company will commence regular monthly amortization of the loan at the rate of Sixteen Thousand Two Hundred Thirty-Nine Dollars and Thirty-Three Cents (\$16,239.33) per month for the first sixty (60) months, and thereafter, monthly payments will be Twelve Thousand Nine Hundred and Six Dollars (\$12,906) per month, both to include principal and interest.

The loan commitment provides for a loan fee of two per cent to be paid to Perpetual Building Association at the time of settlement; however, no appraisal or inspection fees will be charged the Company.

The loan commitment further provides that the loan may not be repaid in full during the first five (5) years beginning with the date of final disbursement of the construction loan, and if paid in full during the sixth year, a two per cent advance interest penalty charge will be assessed on the outstanding balance, which penalty charge is to be reduced by one-half per cent each year thereafter. The loan commitment further provides that the loan shall become immediately due and payable in the event of loss of franchise by the Company or in the event of liquidation of the Company.

The proceeds of the note are to be used to construct a heavy maintenance base for the Company's motor vehicles.

The Company gave public notice of its petition for permission to issue the note on September 15, 1961, stating that any party of interest desiring an opportunity for hearing on this matter should direct such a request to this Commission within five (5) days of the publication of this notice. No one has requested opportunity for hearing.

The Commission is of the opinion and finds that the issuance of said note and the execution of a Deed of Trust as security therefor is not contrary to the public interest, and that permission should be given authorizing the execution of said note and Deed of Trust.

THEREFORE, IT IS ORDERED:

1. That D. C. Transit System, Inc., be, and it is, hereby authorized to issue its note to Perpetual Building Association in the amount of One Million Eight Hundred Thousand Dollars (\$1,800,000), at a rate of interest not to exceed six (6) per cent per annum, and to execute and deliver as security for said note a Deed of Trust to secure the same.
2. That upon execution of the Deed of Trust herein authorized, a copy thereof shall be filed with the Commission.
3. That within thirty (30) days after the payment and cancellation of the note and satisfaction of the Deed of Trust herein authorized, D. C. Transit System, Inc. shall advise the Commission of said payment and cancellation of the Deed of Trust.

FOR THE COMMISSION

A handwritten signature in cursive script, appearing to read "Delmer Ison", written in dark ink.

DELMER ISON
Executive Director